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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 08/18/09

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(MHIX090818)

#### Articles:

##### 1) TOP HEADLINES

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34% hope for change of government

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Let us create Japan for people

##### 2) EDITORIALS

Asahi:  
(1) "2009 regime" to be launched

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Mainichi:  
(1) Start of official campaigning today: Candidates should speak of future of Japan; Relations with U.S. also key campaign issue

Yomiuri:  
(1) Debate among six party leaders: Reply to voters' questions honestly  
(2) Positive GDP growth: Additional measures needed to put economy on sustainable recovery track

Nikkei:  
(1) Campaigning for historic election to select new government begins today

Sankei:  
(1) Political parties should speak more about future options for Japan

Tokyo Shimbun:  
(1) Official campaigning kicks off today

Akahata:  
(1) JCP determined to build new Japan centered on people

##### 3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, August 16

NIKKEI (Page 2) (Full)  
August 18, 2009

07:54  
Took a walk on the grounds of his official residence.

10:30  
Left JR Shinjuku Station on Kaiji 103.

11:30  
Arrived at JR Otsuki Station. Afterward delivered a stump speech in front of the station.

12:22  
Visited Shirayuri Winery in Koshu City, Yamanashi Prefecture.

13:31

Attended an LDP Yamanashi Chapter election strategy council meeting at Apio Kofu Showa town.

13:43

Held an informal meeting with organizational representatives in the prefecture, including Seihachi Takei, Yamanashi commercial, industrial, and political federation chairman. Afterward delivered a speech.

15:10

Met with Yamanashi Chapter Vice Chairman Toshio Fukasawa and others at JR Kofu Station.

15:29

Left JR Kofu Station on Kaiji 116.

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17:07

Arrived at JR Shinjuku Station.

17:34

Arrived at his official living quarters.

18:08

At the Imperial Hotel organized documents.

21:35

Returned to his official living quarters.

Prime Minister's schedule, August 17

NIKKEI (Page 2) (Full)  
August 18, 2009

08:03

Took a walk on the grounds of his official residence.

10:11

Arrived at the Kantei.

11:27

Met with Chief Cabinet Secretary Kawamura.

13:00

Attended debate among the heads of six political parties at the Japan National Press Club.

15:23

Met at LDP headquarters with Secretary General Hosoda, Election Strategy Council Chairman Koga, his deputy Suga, Senior Deputy Secretary-General Ishihara, and Upper House Caucus Chairman Otsuji. Hosoda, Koga, Suga, and Ishihara remained.

17:03

Gave an interview to newspaper and news agencies.

19:00

Gave an interview to sports newspapers.

19:43 Returned to his official living quarters.

OPINION POLLS ON THE ELECTION

4) Poll: DPJ scores 32%, LDP at 16% in public preference

TOKYO SHIMBUN (Page 2) (Abridged)  
August 18, 2009

Ahead of the upcoming general election for the now-dissolved House of Representatives, Kyodo News conducted a telephone-based public opinion survey across the nation on Aug-15-16 to probe public attitudes on the election. In the pre-election poll, respondents were asked which political party they would vote for. In response to

this question, 32.6% chose the Democratic Party of Japan, down 1.5 points from the last pre-election poll taken Aug. 8-9. The Liberal Democratic Party was at 16.5%, up 3.2 points. The gap shrank by 4.7 points. However, this does not represent a sea change, since the DPJ has maintained support in the 30% range since the first pre-election poll on July 18-19 and the LDP has remained in the 10% range.

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Undecided voters accounted for 35.1%, down 2.9 points from the last pre-election poll.

Respondents were also asked which political party's candidate they would vote for in single-seat constituencies. 34.1% opted for the DPJ's candidate (35.2% in the last pre-election poll), with 18.8% choosing the LDP's candidate (14.8% in the last pre-election poll). The LDP rebounded as it did in preference for political party in proportional representation.

In proportional representation districts the New Komeito Party followed the DPJ and LDP at 4.9% (3.8% in the last pre-election poll). Next were the Japanese Communist Party at 3.8% (3.6% in the last pre-election poll), the Social Democratic Party at 1.1% (1.4% in the last pre-election poll), the People's New Party at 0.9% (0.7% in the last pre-election poll), the Your Party at 0.7%, and the New Party Nippon by 0.2%. No respondents chose the Reform Club.

5) Poll: Election battle to kick off with DPJ leading

TOKYO SHIMBUN (Top play) (Abridged)  
August 18, 2009

Ahead of the 45th general election for the House of Representatives, the Tokyo Shimbun conducted a telephone-based public opinion survey of 3,600 persons to probe the public's voting behavior. In the poll, respondents were asked which political party's candidate and political party they would vote for. In this public preference, the Democratic Party of Japan was way above the Liberal Democratic Party both for proportional representation blocs and for single-seat constituencies. In the desirable framework of government as well, those opting for a DPJ-led coalition government and those desiring the DPJ's single-party government added up to 34.6%, while the combined proportion of those choosing an LDP-led coalition government and those preferring the LDP's single-party government was 20.0%. The figures show the public's growing expectations.

The Aso cabinet's support rate was 21.7%, and its nonsupport rate was 70.1%. Respondents were also asked if they thought Prime Minister Taro Aso or DPJ President Yukio Hatoyama would be more appropriate for prime minister. To this question, 45.9% chose Hatoyama, with 25.2% giving Aso.

6) Poll: DPJ ahead of LDP

ASAHI (Page 1) (Abridged)  
August 18, 2009

Ahead of the upcoming general election for the House of Representatives, the Asahi Shimbun conducted a telephone-based nationwide public opinion survey, in which respondents were asked which political party they would vote for in their proportional representation blocs if they were to vote now. In this public precedence of political parties for proportional representation, the Democratic Party of Japan scored 40% (39% in the last survey taken Aug. 1-2), with the Liberal Democratic Party at 21% (22% in the last survey). As seen from the figures, the DPJ is still far ahead of the LDP. Meanwhile, the LDP and the DPJ have set forth their respective showcase campaign pledges, with the LDP targeting an income increase of 1 million yen for each household and the DPJ proposing child allowances. However, negative opinions outnumbered affirmative opinions about these pledges, with a total of more than 80% feeling

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uneasy about ways and means.

In the public preference of political parties, the DPJ has been around 40% since this May. However, the LDP has not rebounded. In the breakdown of public support for political parties as well, the DPJ keeps a big lead over the LDP prior to their campaign battle for the election, with the DPJ standing at 32% (26% in the last survey) and the LDP at 20% (24% in the last survey).

The Aso cabinet's support rate was 19% (18% in the last survey), and its nonsupport rate was 65% (63% in the last survey).

#### ELECTION CAMPAIGN

7) Official campaign for Lower House election kicks off today

ASAHI (Top play) (Abridged slightly)  
August 18, 2009

The official campaign for the 45th House of Representatives election scheduled for Aug. 30 will begin today. The Liberal Democratic Party (LDP), New Komeito, Japanese Communist Party (JCP), and People's New Party (PNP) yesterday unveiled their candidate lists for the proportional representation segment. The DPJ revealed the names of candidates running only in the proportional representation section, but it has yet to clarify its list. The party will make its list public this morning. More than 1,300 candidates are expected to run in the single-seat constituencies (300) and the proportional representation portion (180 seats). Leaders of six political parties held a debate yesterday. DPJ President Yukio Hatoyama stated that he would appoint Diet members as chief cabinet secretary, foreign minister, and finance minister should he become prime minister.

The LDP yesterday revealed its list of 306 candidates, including those who running only in the proportional representation segment, cutting the list of candidates from the 336 it had fielded in the 2005 Lower House election. The LDP ranks seasoned politicians in its upper ranks, completely different from the previous list in which it ranked female candidates in its list for the proportional representation blocs of the ballot.

The LDP ranks candidates running in both electoral districts and the proportional representation portion number one in its list in five proportional representation blocs of the 11 blocs. This means that the party aims to increase opportunities for unsuccessful candidates in the electoral district races to win proportional representation seats.

The LDP tried to have Health, Labor, and Welfare Minister Yoichi Masuzoe run in the proportional representation segment of the Tokyo bloc, but Masuzoe, currently a House of Representatives member, refused. As a result, the party ranked a candidate running in both a single-seat constituency and the proportional representation Tokyo bloc as number one in the list. As a result, Kuniko Inoguchi, a former minister in charge of declining birthrate, who had been ranked number one in the previous election, announced her intention of not seeking reelection.

Among the LDP candidates, only five candidates - Prime Minister Taro Aso; LDP Election Strategy Headquarters Acting Head Makoto Koga; Shinjiro Koizumi, the second son of former Prime Minister Junichiro Koizumi; Takeshi Hayashida; and Norio Mitsuya - are running only for

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district seats.

In the New Komeito, candidates running in eight districts, including party head Akihiro Ota and Secretary General Kazuo Kitagawa, opted not to run also in the proportional representation segment.

Meanwhile, the DPJ failed to announce yesterday evening its list of candidates for the proportional representation portion although it had planned to do so. However, the party unveiled the names of 59 candidates running only in the proportional representation section early this morning. The 59 candidates include former Finance Minister Hirohisa Fujii.

Assuming that most of the candidates running in both single-seat

constituencies and the proportional representation segment will win, the DPJ leadership has increased the number of its candidates running in the proportional representation section. For this reason, the party's prefectural chapters asked to field many candidates in the proportional representation segment, exceeding the ten candidates in three blocs that were fielded for the previous election.

The DPJ will rank candidates running in both single-seat and proportional representation section at the top of its list and it intends to list candidates running only in the proportional representation segment in the lower ranks.

8) Leaders of six parties engage in battle of words over ability to govern

NIKKEI (Top Play) (Excerpts)  
August 18, 2009

The leaders of six ruling and opposition parties traded barbs on the eve of official campaigning for the Aug. 30 House of Representatives election. During the debate organized by the Japan National Press Club, Prime Minister Taro Aso (as Liberal Democratic Party president) stressed that the LDP would raise the consumption tax at a time when the people really have a sense that the economy has recovered. Democratic Party of Japan (DPJ) President Yukio Hatoyama said that he would appoint suitable persons for the posts of chief cabinet secretary, finance minister and foreign minister from among lawmakers if his party takes over the reins of government.

Aso emphasized at the outset of the debate: "What I would like to stress the most to the public is the ability to take responsibility." Citing the gross domestic product's (GDP) first positive growth in five quarters in the April-June period, he boasted: "The positive growth can be attributed to our economic stimulus measures." Aso added: "We are still only halfway there. Our top priority task is to buoy up the economy. Pork-barrel policies with no clear strategy will not be any help in perking up the economy."

Regarding the issue of whether the consumption tax should be hiked from the current 5%, Aso remarked: "The current major question is how to improve the economy to a satisfactory level at which the people can recognize both it in terms of numerical figures and their actual experiences. The consumption tax should be raised at such a stage." He indicated that the party would delay the sweeping tax reforms initially planned until after the economy turns around.

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Hatoyama struck back: "Disparities between the rich and the poor have become wider. Is that what you call a responsible party?" He then indicated that he would like to move forward with measures included in the party's manifesto such as introducing a system to offer a monthly child-raising allowance and waiving all expressway tolls. He also said that he would give priority to economic growth in Asia, including China.

Aso and Hatoyama agreed on the need for the ruling and opposition parties to hold talks on pension and other issues after the Lower House election.

In reference to his own vision for a new administration, Hatoyama said he would prepare a key post for Deputy President Ichiro Ozawa after the election.

Aso and Japanese Communist Party President Kazuo Shii expressed their concern about the negative effects on domestic farmers of the proposed Japan-U.S. free trade agreement (FTA) in the DPJ manifesto. Hatoyama reiterated the possibility of conducting negotiations on farm products except for the nation's mainstay products, such as rice and wheat, saying: "It should be possible for us to promote negotiations while protecting our national interests."

9) Q&A session with party leaders on security issues at National Press Club debate on August 17

Q: Was Japan's support of the attack on Iraq not a mistake?

Aso: If Hussein were alive and still holding power today, there might have been an even more serious crisis for international peace. I think (the war) made some achievements.

Q: Mr Obama was against the war. Does that mean that you and Mr Obama have different views?

Aso: It is possible to argue ex post facto that the war was right or wrong. It is not possible to answer your question.

Q: You propose to review the U.S. military bases in Japan and the Status of Forces Agreement (SOFA). Will this not undermine Japan's security?

Hatoyama: I do understand that after taking over the administration, it will be necessary to build a relationship of trust with President Obama. Without trust, it will be difficult to find a solution even if we demand an early review of SOFA or the withdrawal of the bases. I think this is an issue that can be resolved through a comprehensive review in the process of building trust.

Q: The Democratic Party of Japan (DPJ) is advocating the relocation of the U.S. forces' Futenma base (in Okinawa Prefecture) outside of Okinawa. Do you have a concrete plan in mind?

Hatoyama: There are certain aspects that will not become clear until we take over the government, but we will not change our basic position. We would like to fully understand the wishes of the people of Okinawa and arrive at a final conclusion through a comprehensive review.

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Q: What is your thinking on anti-piracy measures in waters off Somalia?

Hatoyama: Sending the ships of the Japan Coast Guard would be most desirable. If that is not possible, we accept the dispatch of the Self-Defense Forces (SDF).

Q: Will you terminate the refueling mission in the Indian Ocean by January?

Hatoyama: That is our basic thinking. We do not intend to simply extend the mission. We understand that (the SDF) cannot simply be withdrawn right away because this is a matter of foreign policy. However, we will be able to prepare other aid measures that will be much more welcome.

Q: The DPJ is in favor of sending the SDF to waters off Somalia. How about the Social Democratic Party?

Fukushima: It is necessary to state unequivocally that the SDF will not be sent overseas.

Q: Is it possible that you will condone this under a coalition government?

Fukushima: We are not considering it at this point.

Q: Does a secret (nuclear) agreement exist?

Aso: The answer is as what we have stated consistently. It is not possible that we will suddenly say one day that oh, actually, it does exist.

Q: Mr Hatoyama, if you take over the reins of government, how do you plan to disclose the secret agreement?

Hatoyama: We will investigate thoroughly. It is necessary to

continue the investigation not only in Japan's Ministry of Foreign Affairs, but also in the United States. When the facts become clear, we will disclose the information to the people based on our thinking.

Q: When do you expect to announce the result of the investigation?

Hatoyama: For sure, it will be necessary to come up with a conclusion in six months or one year.

Q: You have indicated a positive view on constructing a national memorial facility. Do you plan to realize this during the four years of the DPJ administration?

Hatoyama: We still do not know how far we can proceed with a concrete plan. However, I believe that a non-religious memorial facility where anyone can offer prayers without ill feelings is necessary. We would like to build one as soon as possible.

Q: What do you think, Mr Watanuki?

Watanuki: I am opposed to this idea.

10) Hatoyama takes heavy fire over Japan-U.S. FTA in party-heads

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debate

SANKEI (Page 3) (Excerpts)  
August 18, 2009

Mitsuru Sakai

Debates were held yesterday among the heads of six major political parties. With a change of government likely to occur after the next general election, questions were hurled most heavily at Democratic Party of Japan (DPJ) President Yukio Hatoyama.

Agricultural policy

In its manifesto, the DPJ had initially included the conclusion of a free trade agreement (FTA) with the United States, but meeting with fierce protests from agricultural organizations and other bodies, it has now replaced the "conclusion of an FTA" with the "promotion of talks." At the party-heads debate, other parties intensively criticized the DPJ which has shifted its major policy in just six months. Prime Minister Taro Aso said, "Questions remain concerning the party's seriousness about agriculture." Hatoyama rebutted, "Even if we want to conclude a pact, it will not necessarily come true 100 percent because the matter also involves (the other side)."

Japanese Communist Party Chairman Kazuo Shii expressed an opposition to negotiations themselves, saying, "The country's rice production has dropped 82%, dealing a devastating blow to agriculture. The matter could deal a fatal blow to the people of Japan in general." Hatoyama explained that major agricultural products, such as rice, would be excluded from talks, but the two sides were still wide apart.

11) DPJ President Hatoyama in party-heads debate says he will not appoint private-sector persons as key cabinet ministers

TOKYO SHIMBUN (Page 1) (Full)  
August 18, 2009

An open debate of leaders of six political parties was held yesterday at the Japan National Press Club in Tokyo. In it, Democratic Party of Japan (DPJ) President Yukio Hatoyama said: "I would like to appoint politicians to the important posts of chief cabinet secretary, finance minister, and foreign minister," if his party takes the reins of government in the upcoming House of Representatives election. He revealed his intention to appoint Diet members as key cabinet ministers.

Hatoyama is determined that it is necessary to pick lawmakers key cabinet ministers in a bid to manage the government under the



initiative of politicians.

Regarding economic stimulus measures, Hatoyama said: "I want to implement measures directly stimulating households earlier than planned if possible," suggesting his view that he will look into the possibility of moving up priority policy measures that his party has pledged to implement next April in its manifesto. He cited a child allowance program and the abolition of gasoline taxes as examples.

As for the supplementary budget for fiscal 2009, which was adopted in May, Hatoyama indicated that it would be used as fiscal source for priority policies. He said: "The extra budget includes portions

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that will necessarily stimulate the economy. So it is necessary to recompile this part."

Prime Minister Taro Aso (president of the Liberal Democratic Party) stressed the fact that Japan's GDP returned to positive growth in the April-June period, saying: "This is because of my policies." He then expressed his eagerness to continue to take the political helm, noting: "The public has yet to really experience economic recovery. The recovery is still underway. I will definitely turn the economy around."

The open debate was attended by Aso, Hatoyama, New Komeito leader Akihiro Ota, Japanese Communist Party Chairman Kazuo Shii, Social Democratic Party Chairperson Mizuho Fukushima, and People's New Party President Tamisuke Watanuki.

12) Aso criticizes DPJ for cutting up Japanese flags to create party insignia; Hatoyama apologizes

NIKKEI (Page 2) (Full)  
August 18, 2009

At the party leaders' debate organized by the Japan National Press Club on August 17, Prime Minister Taro Aso took up the issue of the Democratic Party of Japan (DPJ) cutting up two Japanese flags to create the party's insignia at a meeting held in Kagoshima Prefecture on August 8. He criticized DPJ President Yukio Hatoyama, saying, "I can't believe that the national flag, which is the symbol of the country, was mutilated. This is a sad and unforgivable act." It is believed that this statement was made with the conservative voters in mind.

"If there were indeed people who did such a disgraceful thing, I apologize deeply," responded Hatoyama.

13) LDP on decline; Masuzoe declines to run in Lower House election as proportional representation candidate

SANKEI (Page 3) (Excerpts)  
August 18, 2009

Hiroyuki Kano

The ruling and opposition parties unveiled yesterday their lists of candidates running in the 11 proportional representation blocs ahead of the Aug. 30 House of Representatives election. The Liberal Democratic Party (LDP) informally offered to Health, Labor and Welfare Minister Yoichi Masuzoe, a House of Councillors member, the idea of putting him at the top of the party's proportional representation list for the Tokyo bloc, apparently in a bid to make him a key LDP candidate. Masuzoe, however, turned down the offer.

The LDP has already failed to field Miyazaki Gov. Hideo Higashikokubaru for the upcoming race. The party has generated an impression that it is on the decline.

Masuzoe garnered some 1.58 million proportional representation votes in the 2001 Upper House election, and 470,000 votes in the 2007 Upper House race - the highest figures among all LDP candidates. Masuzoe has constantly secured the top rank in a variety of opinion polls. For this reason, Senior Deputy Secretary-General Nobuteru Ishihara and others attempted to field Masuzoe for the Tokyo bloc.

The LDP Tokyo chapter yesterday morning sounded out Masuzoe on his candidacy for the upcoming race. But Masuzoe, feeling discontent with the fact that the request did not come from Prime Minister Taro Aso, reportedly turned down the offer, saying, "I cannot accept the offer, which is a stopgap measure in anticipation of an uphill battle. There is absolutely no possibility that I will run in the race."

If Masuzoe decided to change hats and run in the Lower House, he was certain to become the frontrunner in the next LDP presidential race. Masuzoe's rejection has left some bewildered. A certain former cabinet minister noted: "He might think that it is advisable to maintain a freehand rather than to become the president of the LDP, an opposition party, and suffer a lot. He might have the next Tokyo gubernatorial race in mind."

14) Kuniko Inoguchi gives up her candidacy

YOMIURI (Page 39) (Excerpts)  
August 18, 2009

The Liberal Democratic Party (LDP) unveiled yesterday its lists of candidates running in the proportional representation blocs for the Aug. 30 House of Representatives election which will be announced officially today. Many candidates running also in single-seat constituencies have been placed at the top of the lists of candidates running in proportional representation blocs to improve their chance for success. At the same time, former State Minister in Charge of Gender Equality Kuniko Inoguchi, 57, who was placed at the top of the list in the Tokyo bloc and who also became a showcase cabinet minister in the former Koizumi administration, has now been forced to give up her candidacy.

Inoguchi, holding a press conference at LDP headquarters yesterday, announced that she would not run in the upcoming Lower House election. Although she had asked the party leadership for a high ranking, Inoguchi was told by Secretary General Hiroyuki Hosoda on the phone that her place would be 24th on the party list, and that place has not changed. Inoguchi consulted with former Prime Minister Junichiro Koizumi, her "political mentor." At the press conference, Inoguchi quoted Koizumi as saying, "(Prime Minister Aso) does not listen to me, and that cannot be helped. Do your best so that LDP candidates can win."

A tearful Inoguchi also said that although she will not run in the race, she will continue supporting LDP candidates.

15) GDP expands; Ruling camp plays up effectiveness of economic stimulus measures; DPJ concerned about future

TOKYO SHIMBUN (Page 2) (Excerpts)  
August 18, 2009

Junpei Kiriya, economic news department

The nation's gross domestic product (GDP) expanded in the April-June 2009 quarter, the first growth in five quarters, according to data released by the Cabinet Office yesterday. The ruling LDP-New Komeito coalition has given itself credit for the GDP's expansion. Meanwhile, the major opposition Democratic Party of Japan (DPJ) has criticized the government's economic stimulus measures by saying that they are not sufficient to boost household finances.

Four hours after the data was released, a debate took place among the heads of six ruling and opposition parties. During the debate, Prime Minister Taro Aso indicated that bright economic signs have begun to emerge owing to the government's pump-priming measures. New Komeito Representative Akihiro Ota, too, talked about a plan to steadily implementing budgets.

The positive GDP growth is bullish news for the ruling camp which is expected to face an uphill battle in the upcoming House of Representatives election. The economic expansion came following the nation's worst ever negative growth of the previous quarter, propelled by the Chinese economy. Private think tanks have been predicting positive growth for months.

To begin with, the ruling coalition has set the Lower House election for late August in the hope that it go take advantage of a tailwind resulting from positive economic data as it goes into the election. In fact, the LDP manifesto reads, "Averting the worst-case scenario, some of the nation's economic indices have shown positive results."

But some are pointing to a drop in personal consumption which accounts for 60% of the GDP with respect to the economy in the coming months.

At the party-head debate, DPJ President Hatoyama played up this weak point in the Japanese economy, saying that the future is not necessarily bright.

ZUMWALT